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Credit Data Law, 5776-2016*

Chapter A: Objective

1. Objective

- (a) The objective of this law is to establish an overall arrangement for sharing Credit Data, which includes provisions with respect to the collection of Credit Data from the Information Sources set forth in this law, maintaining it in a central data register operated by the Bank of Israel, and providing Credit Data from it to Credit Bureaus for their processing and provision to Credit Providers, among others, while protecting the interests of the Customers and the privacy of the Customers to whom the data refer and preventing greater than necessary infringement of such privacy, and all for the following purposes:
- (1) enhancing competition in the retail credit market;
 - (2) expanding access to credit;
 - (3) reducing of discrimination in the granting of credit, and reducing of economic gaps;
 - (4) creating a database of Nonidentifying Information for use by the Bank of Israel in carrying out its functions.
- (b) Along with the overall arrangement for sharing Credit Data set forth in Subsection (a) above, this law is designed to establish an arrangement for the collection, management, and maintenance, in the course of business, of individuals' Credit Data solely in their activity as Businesses, for the purpose of providing it to another person.

Chapter B: Definitions

2. Definitions

* Enacted by the Knesset on 19 Adar II 5776 (29 March, 2016); The Bill and the Explanatory Notes were published in Government Bills (*Hatsa'ot Chok*) 954, on 29 Tishrei 5776 (12 October 2015), p. 2.

In this law:

“**Principal Shareholder**” – as defined in the Banking (Licensing) Law;

“**Credit Report**” – a report that includes Credit Data, as provided in Article B of Chapter G;

“**Consolidated Data Report**” – a Standard Consolidated Data Report and a Full Consolidated Data Report;

“**Standard Consolidated Data Report**” – a report that includes all the information on a Customer included in the Register from the three years preceding the date of submitting a request to receive a report;

“**Full Consolidated Data Report**” – a report that includes all the information on a Customer included in the Register;

“**Credit Rating**” – an assessment of the probability that a Customer will make the payments that he has undertaken;

“**The Committee**” – the Economic Affairs Committee of the Knesset;

“**Electricity Company**” – the owner of a license of an Essential Service Provider and the owner of a Supplier license as such terms are defined in the Electricity Sector Law, 5756-1996¹;

“**Bank of Israel Law**” – the Bank of Israel Law, 5770-2010;²

“**Banking (Licensing) Law**” – the Banking (Licensing) Law, 5741-1981;³

“**Protection of Privacy Law**” – the Protection of Privacy Law, 5741-1981;⁴

“**Companies Law**” – the Companies Law, 5759-1999;⁵

“**Penal Law**” – the Penal Law, 5737-1977;⁶

“**Creditworthiness Assessment**” – an assessment of whether a Customer should be granted Credit, within its meaning in Article C of Chapter G;

“**Customer**” – an individual who is not a minor, including in his activity as a Business;

“**Credit Bureau**” – a holder of a Credit Data Service License;

“**Business Information Bureau**” – a holder of a Business Information Service License;

“**The Register**” – the Credit Data register established pursuant to Chapter E;

¹ *Sefer Hahukim* 5776, p. 208.

² *Sefer Hahukim* 5770, p. 452.

³ *Sefer Hahukim* 5741, p. 232.

⁴ *Sefer Hahukim* 5741, p. 128.

⁵ *Sefer Hahukim* 5759, p. 189.

⁶ *Sefer Hahukim* 5737, p. 322.

“Identifying Information” – information that includes an Identifying Detail of a Customer, or information from which a Customer’s Identifying Details have been separated, but the Customer to whom the information refers can be identified with a reasonable effort;

“Nonidentifying Information” – information on a Customer that is not Identifying Information;

“Paid Authorized Representative” – one who has been given power of attorney by the Customer to receive a Standard Consolidated Data Report for him, and who meets one of the following criteria, excluding a Credit Bureau to which the Customer has given such a power of attorney for the purpose of receiving Credit Data Based Services, as set forth in Section 13(2):

- (1) he is paid for receiving the Standard Consolidated Data Report on behalf of the Customer, or for providing services based on such report;
- (2) he receives Standard Consolidated Data Reports on behalf of others in the course of business, or provides service based on such reports in the course of business;

“The Supervisor” – the person appointed pursuant to Section 66 to be Supervisor of Credit Data Sharing;

“Supervisor of Privacy Protection” – the person appointed pursuant to Section 18 to be Supervisor of Privacy Protection;

“Register Manager” – the person appointed pursuant to Section 17 to be the Manager of the Register;

“Payment Card Issuer” – an Auxiliary Corporation, as defined in the Banking (Licensing) Law, that issues payment cards;

“Authorized Source” – a Credit Provider, other than a Banking Corporation, a Payment Card Issuer, or an Electricity Company, whose institutional records kept for the purpose of payments are institutional records for which the conditions set forth in Section 36 of the Evidence Ordinance (New Version), 5741-1971⁷ are met;

“Information Source” – any Information Source required to provide data to the Register, or permitted to provide data to the Register pursuant to the provisions of Section 19;

“Credit Data User” – a Credit Provider that may receive a Credit Report from a Credit Bureau pursuant to Article B of Chapter G, and, in addition, if the Minister determines, pursuant to Section 32, an additional entity that may receive such Credit Report—such entity;

“The Governor” – the Governor of the Bank of Israel appointed under Section 6 of the Bank of Israel Law;

“Officer” – as defined in the Companies Law;

⁷ Laws of the State of Israel, New Version 18, p. 421.

“Credit Provider” – any person providing credit as part of a Credit Transaction in the course of business, and anyone intermediating in the course of business in Credit Transactions between lenders and borrowers and is of the type determined by the Minister with the approval of the Committee;

“Credit Data” – data, as set forth below, on a Customer, including Identifying Details on him, as determined by the Minister pursuant to Section 107, and which is required for the purpose of assessing the probability that the Customer will make the payments that he has undertaken:

- (1) data on payments undertaken as well as those made by the Customer, including the terms of the undertaking, and orders or restrictions imposed by law on the Customer due to nonpayment;
- (2) data on requests by the Customer for credit, including requests submitted by a Credit Bureau to the Bank of Israel pursuant to Chapter G, to receive Credit Data from the Register;
- (3) data on the credit amount that the Customer may take from a Credit Provider;
- (4) data on the types and characteristics of the Customer’s accounts held at a Credit Provider, in which credit was extended or in which there is a right to receive credit;

“Business” – as defined in the Consumer Protection Law, 5741-1981;⁸

“Credit Transaction” – includes discounting of a bill of exchange, a guarantee of a liability of another person, obligation to indemnify, as well as the provision of credit in the sale of an asset or in the provision of a service, and except for marketing of a Credit Transaction;

“Identifying Detail” – first name, last name, ID number, and any other information that can lead, directly or indirectly, to the identification of a specific Customer;

“Business Information Service License” – a license to operate a Business Information Service, granted according to Chapter J;

“Credit Data Service License” – a license to operate a Credit Data Service, granted according to Chapter D;

“Databases Registrar” – as defined in Section 7 of the Protection of Privacy Law;

“Credit Data Based Service” – one of the services set forth in Section 13;

“Business Information Service” – collection, management, and maintenance of Credit Data on a Customer exclusively with respect to the Customer’s activity as a Business, for the purpose of communicating it to another person, in the course of business;

“Credit Data Service” – receiving and retaining of Credit Data included only in the Register only, from the Bank of Israel, for the purpose of communicating it to another

⁸ *Sefer Hahukim* 5741, p. 248.

person, or for the purpose of providing a Creditworthiness Assessment to another person, in the course of business;

“**Control**” – as defined in the Banking (Licensing) Law, and each term included in such definition shall be interpreted according to such law;

“**Banking Corporation**” – as defined in the Banking (Licensing) Law, excluding a joint services company;

“**The Minister**” – the Minister of Justice.

Chapter C: General provisions

3. Collecting, retaining, and providing of Credit Data by the Bank of Israel

The Bank of Israel shall collect Credit Data from the Information Sources, retain the Credit Data in the Register, and provide it to Credit Bureaus and Customers, all for the objectives of this Law and the uses set forth in it, pursuant to its provisions.

4. Prohibition on collecting, retaining, and providing of Credit Data by any person other than the Bank of Israel

(a) No person, other than the Bank of Israel, shall collect Credit Data for the purpose of providing it to another person, shall not retain Credit Data that for the purpose of providing it to another person, and shall not provide it to another person, in the course of business.

(b) Notwithstanding the provisions of Subsection (a):

(1) a Credit Bureau is entitled to operate a Credit Data Service;

(2) a Business Information Bureau is entitled to operate a Business Information Service.

5. Operating a Credit Data Service

No person shall operate a Credit Data Service other than a Credit Bureau, and only in accordance with the terms of the license granted to it.

6. Operating a Business Information Service

No person shall operate a Business Information Service other than a Business Information Bureau, and only in accordance with the terms of the license granted to it.

Chapter D: Credit Data Service licensing

7. A Credit Data Service License

(a) An entity that wishes to operate a Credit Data Service shall submit an application to receive a Credit Data Service License (in this Chapter—**License**) to the Supervisor.

- (b) The Supervisor may grant a Credit Data Service License to an applicant that meets all of the following conditions:
- (1) the applicant is a company, as such term is defined in the Companies Law;
 - (2) the applicant or any of the applicant's Principal Shareholders is neither a holder of Control in a Credit Data User nor in a Paid Authorized Representative, and is not controlled by such User or Authorized Representative or by a holder of Control in such User or Authorized Representative, and in addition – with respect to a Principal Shareholder of the applicant – it is not a Credit Data User;
 - (3) the applicant has registered the database as a database under the Protection of Privacy Law;
 - (4) the applicant has provided a guarantee in accordance with the provisions of Section 8;
 - (5) neither the applicant, a holder of Control or an Officer of the applicant, has been convicted of an offense, the nature, severity, or circumstances of which render them unfit, in the Supervisor's opinion, to receive a License, and no indictment for such an offense has been filed against any of the above persons with respect to which a final judgement has not yet been rendered.
 - (6) the applicant meets the Bank of Israel's security requirements and has the ability to operate a technological system that will minimize the risk of infringement of customers' privacy and the risk of a breach to its information security.
- (c) The Supervisor shall not grant a License if the Supervisor finds that the conditions set forth in Subsection (b) have not been met or for reasons of public welfare.
- (d) If the Supervisor has reasonable grounds to assume that the applicant will use the information received not for the purposes of this law, or that it will not meet the requirements under the law, he shall not grant the applicant a License.
- (e) The Governor shall issue directives regarding the way to apply for a License under this Section, the particulars to be included in the application, and the documents to be attached to it.

8. A Guarantee

- (a) As a condition for granting the License, the Supervisor shall require the applicant to deposit a guarantee of a required amount with the Supervisor, taking into account the expected volume of its business. The Governor may issue directives in this matter, including with respect to the type of guarantee, the manner of determining the guarantee amount, the manner of depositing it, its purposes—including ensuring the compensation of any person who suffered damages from any act or omission of the License Holder, the conditions under which it can be realized, and how to realize it.

- (b) If the Supervisor becomes aware that the circumstances have changed in a way that in the Supervisor's view requires an amendment to the guarantee, he may instruct to amend it.

9. Reporting changes to the Supervisor

If a change occurs in any of the particulars provided to the Supervisor by the applicant as part of the application, or in the documents attached to it, the applicant shall report it to the Supervisor as soon as possible, and no later than ten days from the date it becomes aware of the change, and shall attach the documents related to the matter. If the change was a change in a particular among those related to the registration of the database as a registered database under the Protection of Privacy Law, the applicant shall report it to the Databases Registrar within such period.

10. License terms

The Supervisor may determine the terms and restrictions in the License for the purpose of ensuring the activity of a Credit Bureau pursuant to the provisions of this law, including requirements pertaining to privacy protection, information security, and protection of the interests of Customers.

11. Revocation or suspension of a License

- (a) The Supervisor may revoke or suspend a License—after having given the License holder a reasonable opportunity to present its arguments—if he finds that one of the following applies:
- (1) the License was granted on the basis of fraudulent or erroneous information;
 - (2) any of the terms for granting the License is no longer met;
 - (3) the Credit Bureau has violated any of the provisions under this law, or under the Protection of Privacy Law, or any of the Supervisor's directives, or any of the License terms;
 - (4) serious and justified complaints were found against the Credit Bureau;
 - (5) the Credit Bureau did not begin to operate a Credit Data Service within two years of the date on which the License was granted, or discontinued the operation of the service during such a period;
 - (6) the Credit Bureau has passed a resolution of voluntary liquidation, or the Court has ordered a stay of proceedings, appointed a receiver or ordered its liquidation;
 - (7) the Credit Bureau requested to revoke its License;
 - (8) the Credit Bureau violated a legislation to an extent that prejudices its credibility;
 - (9) public welfare reasons justify revocation or suspension of the License.
- (b) The Supervisor shall give the Databases Registrar notice, as soon as possible, that the License has been revoked or suspended, and shall publish an announcement to

the public to that effect on the Bank of Israel website and in any other additional manner which shall be determined by the Governor.

- (c) All the directives imposed on a Credit Bureau under this law shall apply to an entity whose License was revoked, as long as obligations it gave its Customers prior to the revocation still exist.
- (d) The Supervisor may issue instructions to an entity whose License was revoked, with respect to the conduct of its business, to the extent that it seems necessary to protect the Customers who contracted with the entity prior to the revocation, and the Customers to whom the Credit Data refer; such instructions do not release the entity whose License was revoked of its responsibility to perform any obligation taken prior to the revocation.

12. Operating a Credit Data Service and the exclusivity of the business occupation

- (a) As part of its operation of a Credit Data Service, a Credit Bureau may engage in the following activities:
 - (1) receiving Credit Data included in the Register from the Bank of Israel, subject to the provisions of Section 46, and retaining them for the purpose of providing a Credit Report or providing of a Creditworthiness Assessment to another person, and providing the Report or Assessment to another person;
 - (2) receiving a Standard Consolidated Data Report from the Bank of Israel, for the purpose of providing it to a Customer or a paid Authorized Representative, and making such provision.
- (b) A Credit Bureau shall not engage in any business occupation that is not a Credit Data Service, as set forth in Subsection (a), unless the Governor, having been convinced that the additional business occupation does not negatively impact the objectives of this law, or the proper conduct of the Credit Data Service, or the interest of the Credit Data Users or those of the Customers, set, with the approval of the Committee, an additional permitted business occupation.
- (c) The provisions of this Subsection (b) shall not apply to the following activities by a Credit Bureau:
 - (1) providing Credit Data Based Services, as set forth in Section 13;
 - (2) operating a Business Information Service if the Credit Bureau has received a Business Information Service License, and providing any service based on information received as part of its activity as set forth in Section 62.

13. Credit Data Based Services

A Credit Bureau may, in addition to operating a Credit Data Service, as provided by Section 12, provide the following services:

- (1) services set forth below, to a Credit Provider, based on Credit Data received from the Register only, for the purpose of issuing a Credit Report:
 - (a) issuing a Customer's Credit Rating;

- (b) notice of a change in the Credit Rating of a Customer, or in the Credit Data on him which is included in the Register;
- (c) advice in the following matters:
 - (1) A Credit Transaction agreement with a Customer and the terms of the transaction;
 - (2) The worthwhileness of taking collection measures with respect to a Customer who is delinquent in payments he has undertaken;
- (2) services set forth below, to a Customer, based on a Standard Consolidated Data Report:
 - (a) issuing a Customer's Credit Rating;
 - (b) advice regarding the Customer's financial conduct;
 - (c) notice of a change in the Credit Rating of the Customer, or in the Credit Data on the Customer which is included in the Register.
- (3) advice to a Credit Provider based on Nonidentifying Information included in the Register, as provided by Section 45, regarding the characteristics of the aggregate credit granted by the Credit Provider to its Customers, and the risk level deriving from such aggregate credit.

14. Prohibition of conditioning a service for a service

A Credit Bureau shall not condition the provision of a Credit Data Service on any Credit Data Based Services or on a service determined by the Governor to be an additional permitted business occupation pursuant to the provisions of Section 12(b).

15. Public Enquiries Officer at a Credit Bureau

- (a) A credit Bureau shall appoint a Public Enquiries Officer, whose contact details shall be published as shall be instructed by the Supervisor.
- (b) The Supervisor shall determine the functions and working method of the Credit Bureau's Public Enquiries Officer.

Chapter E: Establishing a Credit Data Register and its purposes

16. Setting up the Credit Data Register and its purposes

- (a) The Bank of Israel shall establish a Register that will include Credit Data received from Information Sources pursuant to the provisions of Chapter F. In addition, the Register shall include data on requests to correct information submitted under Chapter H, as well as data on Customer queries to the Register under the law.
- (b) The Register shall be used exclusively for the following purposes:
 - (1) providing Credit Data to Credit Bureaus on a specific Customer for the purpose of preparing a Credit Report, including for the purpose of providing Credit Data Based Services, or for providing a Creditworthiness Assessment

with respect to a specific Customer, pursuant to the provisions of Chapter G, Articles B and C, or for the purpose of providing such data to a Paid Authorized Representative pursuant to the provisions of Article E of such Chapter;

- (2) providing information to the Customer on himself, pursuant to the provisions of Chapter G, Article D;
 - (3) establishing a database for Nonidentifying Information, for use by the Bank of Israel in carrying out its functions under the Bank of Israel Law, pursuant to the provisions of Section 44;
 - (4) establishing a database for Nonidentifying information for use by the Credit Bureaus in developing statistical models needed in order to provide a Creditworthiness Assessment or Credit Data Based Services, pursuant to the provisions of Section 45.
- (c) The technological system used for the Register shall minimize, to the greatest extent possible, with due consideration of the acceptable technological alternatives which will be considered periodically, the risk of infringement of Customers' privacy and the risk of breaches of information security in the Register. The system shall be designed and updated in consultation with the Databases Registrar.

17. Register manager

The Register shall be managed by a Bank of Israel employee, to be appointed by the Governor.

18. Supervisor of Privacy Protection

- (a) The Governor shall appoint a Supervisor of Privacy Protection who shall be a Bank of Israel employee.
- (b) The functions of the Supervisor of Privacy Protection shall be—
 - (1) to advise the Register Manager on the implementation of the provisions of the Protection of Privacy Law and the guidelines of the Databases Registrar, including the definition of information as Nonidentifying Information;
 - (2) to advise the Supervisor with regard to investigating complaints from the public with respect to infringement of privacy;
 - (3) to advise the Register Manager with regard to risk examinations and conducting of risk assessment reports with respect to breaches of Customers' privacy;
 - (4) to prepare a training program with respect to protection of privacy for all those employed in the operation of the Register;
 - (5) to report to the Governor on risks and failures found with respect to the protection of privacy in the Register and to recommend actions to take in this regard; reporting under this Section will be submitted to the Governor in the

first two years from the Commencement Date as provided by Section 123—quarterly, and thereafter—at least once a year.

- (6) to report to the Databases Registrar if he becomes aware of the occurrence of a material infringement of privacy.
- (c) The provisions of this Section do not derogate from the Governor's power to assign other functions in the Bank of Israel to the Supervisor of Privacy Protection, provided that they are related to the Protection of Privacy at the Bank of Israel.

Chapter F: Providing information to the Register and maintaining it

19. Providing Credit Data to the Register by the Information Sources

- (a) The following Information Sources shall provide Credit Data to the Register for the purpose of including the data in the Register:
 - (1) The Official Receiver;
 - (2) Execution Offices;
 - (3) The Bank of Israel;
 - (4) Courts of law;
 - (5) An Electricity Company;
 - (6) The Postal Bank; for this purpose, "**the Postal Bank**" – "**the Subsidiary**" as defined in the Postal law, 5746-1986⁹;
 - (7) Banking Corporations;
 - (8) Payment Card Issuers;
 - (9) Authorized Sources that provide retail credit at an annual volume as determined by the Governor with the consent of the Minister and the Minister of Finance or according to the proposal of one of them; however, when determining the annual volume of an institutional entity, as defined in the Supervision of Financial Services (Insurance) Law, 5741-1981¹⁰, loans extended to members or insured persons against funds of members or insured persons shall not be taken into account.
- (b) The Credit Data provided by the Information Sources under Subsection (a) shall be as determined by the Minister, with the consent of the Governor and the Minister of Finance, subject to the following provisions:

⁹ *Sefer Hahukim* 5746, p. 79.

¹⁰ *Sefer Hahukim* 5741, p. 208.

- (1) The data provided by the Bank of Israel shall be data regarding the Customer being a restricted or severely restricted Customer as such terms are defined in the Checks without Cover Law, 5741-1981;¹¹
 - (2) The data provided by a Court shall be data regarding a restriction order issued under Section 7 of the Companies Law;
 - (3) The data provided by an Electricity Company shall be data regarding payments for electricity consumption.
- (c) Notwithstanding the provisions of Subsections (a) and (b),
- (1) the Minister may, with the consent of the Governor and the Minister of Finance, or according to the proposal of one of them, determine that any Information Source set forth in Subsection (a), that meets the conditions to be determined, shall not be required to provide Credit Data to the Register.
 - (2) with regard to an Electricity Company—the Minister, the Governor, or the Minister of Finance may determine that it is not required to provide Credit Data to the Register.
- (d) (1) An Authorized Source may provide Credit Data to the Register as determined by the Minister, with the consent of the Governor and the Minister of Finance, or according to the proposal of one of them.
- (2) The Minister, with the consent of the Governor and the Minister of Finance, or according to the proposal of one of them, may set additional Information Sources that may provide to the Register Credit Data of the type that would be determined, if the Minister has found that it is necessary to achieve the objectives of this law set forth in Section 1(a), provided that the addition of the Information Sources is not required only for achieving the objective set forth in paragraph (4) of such Section.
- (e) Without derogating from the provisions of Subsection (a)(9), the Minister, with the consent of the Governor, may determine that any of the Information Sources set forth in Subsection (d) is required to provide Credit Data to the Register, as provided in such Subsection.
- (f) An Information Source shall take adequate measures to ensure the accuracy and reliability of the Credit Data that it provides to the Register under this Section; the Supervisor may order which means should be used to ensure such accuracy and reliability.
- (g) The Supervisor shall determine the method for providing Credit Data to the Register under this Section and the date of provision, and may issue detailed instructions regarding the Credit Data to be provided, all subject to the regulations issued by the Minister, under Subsections (b) and (d).
- (h) Regulations to be issued by the Minister and rules to be set by the Governor under this Section require the approval of the Committee.

¹¹ *Sefer Hahukim 5741*, p. 136.

20. Prohibitions or restrictions on the provision of Credit Data to the Register

The Supervisor may prohibit or restrict the provision of Credit Data to the Register by an Information Source if he finds it necessary in order to achieve the objectives of this law, and under exceptional circumstances. If he did so, the Supervisor shall publish a notice to that effect to the public on the Bank of Israel website and via any other manner to be determined by the Governor.

21. Maintaining Credit Data in the Register

- (a) The Bank of Israel shall maintain, in the Register only, the Credit Data that was provided to the Register by Information Sources pursuant to Section 19.
- (b) Notwithstanding the provisions of Subsection (a), the Bank of Israel is authorized not to maintain the Credit Data provided by a specific Information Source in the Register, if it finds that the Information Source has not taken adequate measures to ensure the accuracy and reliability of the Credit Data pursuant to the provisions of Section 19(f), or has not taken information security measures pursuant to the provisions of Sections 60 or 68, or if other exceptional circumstances determined by the Supervisor occur.

22. A Customer request to exclude his Credit Data from the Register

- (a) A Customer is entitled to request the Bank of Israel that Credit Data on him be excluded from the Register (in this Section—an **Opt-out Request**).
- (b) If a Customer has submitted an Opt-out Request, the Bank of Israel shall not maintain Credit Data on him that would be provided to the Register after the date on which the request was submitted, and shall delete from the Register the Customer's Identifying Details included in the Credit Data that is in the Register on the date the request was submitted, except for such Identifying Details included in the Credit Data provided to a Credit Bureau pursuant to Chapter G before such date, which shall be maintained in the Register for documentation purposes only, pursuant to the provisions of Section 23. Deletion of Identifying Details pursuant to this Subsection shall be made in a manner that it will no longer be possible to link the Credit Data from which the Identifying Details have been deleted to the Customer.
- (c) If the Customer withdraws the Opt-out Request from the Bank of Israel, the Bank of Israel shall maintain the Customer's Credit Data that is provided to the Register after the date on which the request was withdrawn.
- (d) If a Credit Bureau asks the Bank of Israel for Credit Data from the Register on a specific Customer, and there is no Credit Data on the Customer in the Register because the Customer has submitted an Opt-out Request, the Bank of Israel shall notify the Credit Bureau to this effect, and the Credit Bureau shall inform the Credit Data User.
- (e) Notwithstanding the provisions of Subsections (a) and (b):
 - (1) If an Information Source provides to the Register Credit Data published under any law or other Credit Data clearly showing that the Customer is not making

the payments the Customer has undertaken, all as determined by the Minister with the consent of the Governor and the approval of the Committee, (in this Subsection—Data on Nonpayment), the Customer shall not be entitled to submit an Opt-out Request until three years after the date on which such data was provided (in this Subsection—the Restriction Period);

- (2) If an Information Source provided Data on Nonpayment to the Register, after the Customer submitted an Opt-out Request, the Bank of Israel shall maintain in the Register from the date of such provision and thereafter, all Credit Data on the Customer that would be provided to the Register, notwithstanding the Request. The Customer shall be entitled to request that following the end of the Restriction Period, Credit Data on him shall not be included in the Register.
- (f) If the provisions of Subsection (e) apply to a Customer, the Bank of Israel shall inform a Customer who submitted an Opt-out Request to this effect, and shall also notify him, before the end of the Restriction Period, of his right to resubmit an Opt-out Request.
- (g) Customer requests under this Section shall be submitted in a manner that will be determined by the Governor, with the approval of the Committee, and the Governor may determine handling times for such requests.

23. Period for maintaining information in the Register

- (a) The Bank of Israel shall maintain the information in the Register set forth in Section 16(a) for a period of ten years from the date on which it was provided to the Register. Three years after such date, the information shall be maintained for the remainder of the period for documentation purposes only (in this Section—the **Documentation Period**).
- (b) During the ten year period set forth in Subsection (a), a Credit Bureau, a Credit Data User, or a Paid Authorized Representative may receive, at their request, from the Bank of Israel the data maintained in the Register pursuant to such Subsection, previously provided to them, as set forth in Chapter G, Articles B–E, provided that such data are required for one of the purposes set forth below, but the provisions of this Subsection shall not derogate from the Customer’s right to receive this data, as set forth in Article D of Chapter G:
 - (1) a legal proceeding between them and the Customer, provided that such proceeding is related to the information provided and that a notice was provided to the Customer regarding such request to receive the data;
 - (2) control or supervision under any law;
 - (3) other objectives determined by the Minister with the approval of the Committee.
- (c) At the end of the Documentation Period, the Bank of Israel shall delete from the Register the Customer’s Identifying Details pertaining to the information for

which the above-mentioned period has ended, so that it will no longer be possible to link this information to the Customer.

Chapter G: Access to information in the Register and the uses of the information

Article A: General provisions

24. Providing Information by the Register

No information included in the Register shall be provided, and no access to such information shall be provided, other than to the persons set forth in this Chapter, for the uses as set forth in it, and in accordance with its provisions.

25. Exclusive use

- (a) A person that has received Credit Data included in the Register or a Creditworthiness Assessment, pursuant to the provisions of this Chapter, shall use it exclusively for the purpose for which it was requested.
- (b) Notwithstanding the provisions of Subsection (a), a Credit Bureau is entitled to use Credit Data it received from the Register for the purpose of providing Credit Data Based Services.

Article B: Credit Report

26. Terms for providing Credit Data for preparing a Credit Report

- (a) Credit data on a Customer shall not be provided per the provisions of this Section from the Register to a Credit Bureau or from a Credit Bureau to a Credit Provider, unless all the following are met (in this Article—**the Terms for Providing Credit Data for Preparing a Credit Report**):
 - (1) The Credit Data are necessary for the Credit Provider in order to execute a Credit Transaction with the Customer or to ensure that the terms of the Transaction are met;
 - (2) The Credit Provider is an Information Source that provides Credit Data to the Register pursuant to Chapter F on all Customers for which it has Credit Data, or it has undertaken to provide such Credit Data in a manner and on the date determined by the Supervisor, provided that the date determined by the Supervisor for providing the data is not later than one year from the date on which the data was provided to it from the Register, unless the Minister, with the consent of the Governor, set a different period;
 - (3) The Credit Provider is not a Low-Risk Credit Provider; for this purpose, “**Low-Risk Credit Provider**”—a Business that extends credit while selling an asset or providing a service, for short periods or for low amounts, as determined by the Minister, in consultation with the Governor;

- (4) The Customer gave his express consent to having the Credit Data on him that is included in the Register provided to a Credit Bureau that would prepare a Credit Report and provide it to the Credit Provider, and that such consent would be in effect until the date of the termination of the Credit Transaction or until an earlier date, as decided by him; such consent of the Customer shall be granted only with respect to a specific Credit Transaction.
- (5) Notwithstanding the provisions of Subsection (a)(2), the Minister, with the consent of the Governor, may determine that Credit Providers, of a type he determines, shall be entitled to request a Credit Report from a Credit Bureau even if they do not provide or undertake to provide Credit Data to the Register.
- (b) The Minister, in consultation with the Governor, shall issue directives with respect to the manner of granting express consent of the Customer as provided in Subsection (a)(4) and with respect to proof of the satisfaction of the Terms for Providing Data for Preparing a Credit Report.
- (c) Regulations issued by the Minister pursuant to this Section require the approval of the Committee.

27. A Credit Provider's request to receive a Credit Report from a Credit Bureau

A Credit Provider may request from a Credit Bureau to receive a Credit Report on a Customer that includes Credit Data included in the Register on such Customer, for the purpose of executing a Credit Transaction with that Customer, or for the purpose of ensuring the fulfillment of the terms of the transaction, provided that the Terms for Providing Data for Preparing a Credit Report are met.

28. A Credit Bureau's request to receive Credit Data from the Register for preparing a Credit Report

If a request to receive a Credit Report on a Customer has been submitted to a Credit Bureau, as set forth in Section 27, and the Terms for Providing Data for Preparing a Credit Report are met, the Credit Bureau may request from the Bank of Israel to receive Credit Data, included in the Register, on the Customer.

29. Providing Credit Data from the Register for the purpose of Preparing a Credit Report

If the Bank of Israel receives a request to receive Credit Data on a Customer, as set forth in Section 28, the Bank of Israel shall provide the Credit Bureau with Credit Data included in the Register on the Customer.

30. A Customer request for nondisclosure of Credit Data on him in the Register

- (a) A Customer may request of the Bank of Israel that Credit Data on him that is included in the Register would not be disclosed for the purpose of preparing a Credit Report under the provisions of this Article (in this Section—a Nondisclosure Request). The Minister may determine that a Nondisclosure Request may be submitted for certain Credit Providers or for Credit Providers of a certain type, and may set conditions for such a request.

- (b) If a Customer has submitted a Nondisclosure Request, the Bank of Israel shall not disclose Credit Data as per the request, as long as the Customer has not withdrawn it by asking the Bank of Israel to disclose Credit Data on him, and even if the Credit Provider has obtained the Customer's consent, as provided in Section 26(a)(4).
- (c) If a Credit Bureau has asked the Bank of Israel for Credit Data from the Register on a specific Customer, and the Customer has submitted a Nondisclosure Request, the Bank of Israel shall notify the Credit Bureau of the request, and the Credit Bureau shall notify the Credit Provider.
- (d) Requests under this Section shall be submitted in a manner to be determined by the Governor, with the consent of the Committee, and the Governor may determine the times for handling such requests.

31. Notice to a Customer regarding the provision of a Credit Report

- (a) A Credit Provider that received a Credit Report for the purpose of executing a Credit Transaction with a Customer or that received a Credit Report for the purpose of ensuring the fulfillment of the terms of a transaction already executed, and that has adversely amended the terms of the Credit Transaction with the Customer, shall immediately notify the Customer to this effect, and shall provide the Customer with the details of the Credit Bureau from which it received the Credit Report.
- (b) The Minister, with the approval of the Committee, may issue directives with respect to the obligation to provide a Credit Report received, pursuant to Subsection (a), from a Credit Provider or Credit Bureau to a Customer, and may determine what would be the conditions for such provision.

32. A Credit Report for a person that is not a Credit Provider

The Minister may, with the consent of the Governor and with the approval of the Committee, if he finds it necessary to achieve the objectives of this law, determine that a person that is not a Credit Provider, may receive a Credit Report from a Credit Bureau, under the conditions determined by the Minister, provided that the Customer has given his consent, as provided in Section 26(a)(4) and subject to the provisions of Section 30. If the Minister has so determined, the provisions that apply to a Credit Provider that may receive a Credit Report shall also apply to the persons set forth in the Minister's directives, with the necessary changes and pursuant to any amendments to be determined by the Minister.

Article C: Creditworthiness Assessment

33. A Credit Provider's Request for a Creditworthiness Assessment from the Credit Bureau

A Credit Provider is entitled to request from a Credit Bureau an assessment on the question of whether to provide credit to a Customer, for the purpose of executing a Credit Transaction with that Customer, provided that it informs the Customer in

advance and explicitly of its intention to receive such an assessment, and that for that purpose, a request will be submitted to the Bank of Israel to receive the Credit Data on him which is included in the Register, all as will be determined by the Governor, with the approval of the Committee.

34. A Credit Bureau's request for Credit Data from the Register for the purpose of issuing a Creditworthiness Assessment

If a request for a Creditworthiness Assessment on a Customer has been submitted to a Credit Bureau, the Credit Bureau may ask the Bank of Israel for Credit Data on that Customer which is included in the Register, for the purpose of providing the Creditworthiness Assessment.

35. Providing Credit Data from the Register for the purpose of a Creditworthiness Assessment

- (a) If a request has been submitted by a Credit Bureau to the Bank of Israel for Credit Data from the Register for the purpose of providing a Creditworthiness Assessment, and the Bank of Israel has found that the Credit Data on the Customer, included in the Register, clearly indicates that the Customer is not making the payments that he has undertaken, the Bank of Israel shall provide the Credit Data on the Customer, included in the Register, to the Credit Bureau. For this purpose, the Minister shall determine, with the consent of the Governor and the approval of the Committee, circumstances that clearly indicate that the Customer is not making the payments that he has undertaken.
- (b) If there is no Credit Data in the Register that clearly indicates that the Customer is not making the payments he has undertaken, as set forth in Subsection (a), the Bank of Israel shall notify the Credit Bureau to this effect, and the Credit Bureau shall inform the Credit Provider. The provisions of this Subsection shall not derogate from the obligation to provide notice under Section 22(d).

36. Attaching published Credit Data to a Creditworthiness Assessment

Together with the Creditworthiness Assessment, a Credit Bureau may provide a Credit Provider with Credit Data on the Customer that has been published under any law, and other Credit Data related to such data, all as determined by the Minister with the approval of the Committee.

37. Providing an assessment to an Electricity Company of whether to take collection measures

- (a) If a Customer is delinquent in his payment to an Electricity Company for consumption of electricity, as determined by the Minister, the Electricity Company may ask a Credit Bureau for an assessment of whether to take collection measures with respect to that Customer, provided that it has notified the Customer of its intention to receive an assessment with respect to him, and of the fact that for receiving the assessment, a request to receive Credit Data on him included in the Register will be submitted to the Bank of Israel, all as determined by the Governor.

- (b) The provisions of this Article applying to a Creditworthiness Assessment shall apply to an assessment under Subsection (a), with the necessary changes.
- (c) The provisions of this Section shall not apply to an Electricity Company that does not provide Credit Data to the Register due to the directives issued under Sections 19(c) or 20.

Article D: Consolidated Data Report requested by a Customer

38. Providing a Consolidated Data Report to a Customer

- (a) A Customer is entitled to receive a Standard Consolidated Data Report and a Full Consolidated Data Report from the Bank of Israel.
- (b) The Report shall be in clear and simple language, and shall include, among other things, the following information:
 - (1) information of a type that is not included in information that will be provided to a Credit Bureau for preparing a Credit Report, pursuant to the provisions of Section 46;
 - (2) data that indicates clearly that the Customer is not making the payments which he has undertaken, under Sections 22(e) or 35(a);
 - (3) requests submitted by the Credit Bureau to the Bank of Israel under Chapter G to receive Credit Data from the Register.
- (c) A Customer may request that a Consolidated Data Report shall be in Hebrew or in Arabic; if the Customer does not request that the report would be provided in a specific language, it shall be provided in Hebrew.
- (d) A Consolidated Data Report shall be provided to the Customer free of charge, upon request, once a year. The Bank of Israel shall notify Customers, once a year, of their right, in a manner to be determined by the Governor; additional Consolidated Data Reports during the year shall be provided to the Customer, at his request, in exchange for payment, as shall be determined by the Governor.
- (e) The Bank of Israel may provide a Customer, upon request, with information on him which is included in the Register, other than as part of the Consolidated Data Report, in exchange for payment and as determined by the Governor.

39. Receiving a Standard Consolidated Data Report through a Credit Bureau

A Credit Bureau may receive, at the Customer's request, a Standard Consolidated Data Report on such Customer, from the Bank of Israel.

Article E: Standard Consolidated Data Report requested by a Paid Authorized Representative

40. Providing a Consolidated Data Report to a Paid Authorized Representative

A Paid Authorized Representative may receive a Standard Consolidated Data Report from the Bank of Israel on the Customer who granted him the power of attorney, through a Credit Bureau, and pursuant to the provisions of this Section.

41. A request by a Paid Authorized Representative from a Credit Bureau for a Standard Consolidated Data Report from the Register

If a Paid Authorized Representative requests a Standard Consolidated Data Report on a Customer from a Credit Bureau, the Credit Bureau may request such a Consolidated Data Report from the Bank of Israel, provided that the terms set by the Governor under Section 43 and the terms set by the Supervisor for the purpose of receiving the report from the Register, with respect to the Authorized Representative (in this Article—the Terms for Providing a Consolidated Data Report) are met.

42. Providing a Standard Consolidated Data Report to a Paid Authorized Representative

(a) If a Credit Bureau submits a request to the Bank of Israel to receive Credit Data on a Customer pursuant to the request of a Paid Authorized Representative, the Bank of Israel shall provide the Credit Bureau with a Standard Consolidated Data Report on the Customer, in accordance with the directives issued by the Supervisor in this matter.

(b) The Minister, with the consent of the Governor and the approval of the Committee, shall issue directives with respect to the manner of granting a power of attorney by the Customer as provided in this Article and with respect to the way of proving the meeting of the Terms for Providing a Consolidated Data Report, for the purpose of providing a Standard Consolidated Data Report.

43. Terms for providing a Consolidated Data Report

The Governor may, with the consent of the Minister and the approval of the Committee, set terms that the Paid Authorized Representative must meet in order to receive a Standard Consolidated Data Report on the Customer, including the authorized uses by the Paid Authorized Representative of the information which is in the Report and of the Credit Data received from the Register.

Article F: Access to Nonidentifying Information in the Register and its uses

44. Use of Nonidentifying Information by the Bank of Israel

(a) The Bank of Israel may use Nonidentifying Information included in the Register for the purpose of carrying out its functions under the Bank of Israel Law.

(b) The Bank of Israel may provide to the Register Customers' Identifying Information that it possesses by virtue of its powers under the law (in this Subsection—External Information) for the purpose of cross-checking it with Identifying Information included in the Register and producing Nonidentifying Information necessary for the purpose of carrying out its functions under the Bank of Israel Law, provided that the External Information is deleted from the Register

immediately after the Nonidentifying Information is produced. The cross-checking of the information referred to in this Subsection shall be performed, to the extent possible, in a way that will not enable disclosure of Identifying Information to the persons authorized to access Identifying Information pursuant to Section 60(c) beyond the necessary disclosure for the purpose of the cross-checking.

45. Access by a Credit Bureau to Nonidentifying Information in the Register

- (a) The Bank of Israel may provide a Credit Bureau with access to Nonidentifying Information included in the Register that the Bureau requires for the development of a statistical model for the purpose of providing Creditworthiness Assessments and Credit Data Based Services. Such access shall be provided for Nonidentifying Information, for which the date of inclusion in the Register was within the five years prior to the date on which access was provided.
- (b) A Credit Bureau shall not copy or save Nonidentifying Information to which it has access under Subsection (a). The Minister, with the consent of the Governor, may determine circumstances under which a Credit Bureau may copy and save some of such Nonidentifying Information, in a manner and under conditions to be determined by him, as may be required for the purpose of developing a statistical model referred to in Subsection (a).

Article G: Different provisions regarding the disclosure and use of Data

46. Information that identifies Information Sources

The Bank of Israel shall not include in the Credit Data that it discloses from the Register to a Credit Bureau under this Chapter, for the purposes of preparing a Credit Report or a Creditworthiness Assessment, details that identify the Information Sources, other than the Information Sources set forth in Sections 9(a)(1) through 9(a)(5). The Minister may determine additional details that should not be included in the Credit Data disclosed for the purposes of preparing a Credit Report or a Creditworthiness Assessment or a Standard Consolidated Data Report for providing it to a Paid Authorized Representative.

47. The period for which Credit Data will be disclosed

- (a) At the request of a Credit Bureau submitted pursuant to the provisions of Articles (b) or (c), the Bank of Israel shall provide a Credit Bureau for the purpose of preparing a Credit Report or a Creditworthiness Assessment, only Credit Data for which the date of inclusion in the Register was during the three years preceding the date on which the Credit Bureau submitted the request.
- (b) The Minister may determine shorter periods than the period provided in Subsection (a) for types of Credit Data that he would determine.

48. Methods of providing the data maintained by the Bank of Israel

- (a) The Minister, with the consent of the Governor and the approval of the Committee, may issue directives determining the methods of providing the data included in the Register pursuant to this Chapter, and may determine conditions for such provision.
- (b) The Supervisor may determine the manners of providing the data included in the Register, pursuant to this Chapter, including determining that the provision shall be by giving access to the Register in a manner and under terms as he shall determine.

49. The period for retaining Credit Data by a Credit Bureau and a Paid Authorized Representative

- (a) A Credit Bureau that has received Credit Data from the Register pursuant to this Chapter shall retain it for the shortest period required for the providing of a Credit Data Service or a Credit Data Based Service, but no longer than the period determined by the Minister, with the approval of the Committee.
- (b) The Minister, with the approval of the Committee, shall determine the maximum period for retaining Credit Data by a Paid Authorized Representative.

50. Maximum price that a Credit Bureau may charge

- (a) The Governor may set the maximum amounts to be charged by a Credit Bureau for services it provides under Sections 12 or 13. If the Governor has set such an amount, a Credit Bureau shall not charge an amount higher than the maximum amount set.
- (b) A Credit Bureau shall report to the Governor, once a year, the amount it demanded for each service it provided, in a manner to be determined by the Governor.

51. Data that a Credit Bureau may not take into account

For the statistical model which is required in order to provide Credit Data Based Services and Creditworthiness Assessments, for the provision of a Creditworthiness Assessment of a Customer, and for a Customer's Credit Rating, a Credit Bureau shall not take into account data on the Customer's gender, age, sexual orientation, race, religion, country of origin, nationality, place of residence, and family or health status.

52. Use of a Current Credit Report or Creditworthiness Assessment

- (a) In its decision to execute a Credit Transaction with a Customer or to ensure the terms of a Transaction executed are met, a Credit Data User shall not take into account a Credit Report that is not current.
- (b) In its decision of whether to provide Credit to a Customer, a Credit Provider shall not take into account a Creditworthiness Assessment that is not current.
- (c) For the purposes of this Section, a Credit Report or Creditworthiness Assessment for which 60 days have passed from the date of their receipt shall not be considered current, unless the Minister determined a shorter period.

53. Retaining a Credit Report by a Credit Data User

A Credit Data User is entitled to retain a Credit Report until the end of the period of the Credit Transaction with the Customer with respect to whom the Report was requested. If the report was requested for the purpose of making a decision on executing a Credit Transaction, and the transaction was not executed, the Credit Report shall be deleted within sixty days from the date of its receipt, unless the Minister determined a shorter period.

54. Restriction on Credit Data provision

The Supervisor may prohibit or restrict, permanently or for a period he shall determine, provision to a Credit Bureau, under this Chapter, of Credit Data included in the Register, and prohibit or restrict the provision of Credit Data received by a Credit Bureau under this Chapter to a Credit Data User or to a Paid Authorized Representative, if he finds it necessary to achieve the objectives of this law, and under exceptional circumstances.

Chapter H: Correction of information included in the Register

55. Correction of information by the Information Source

If an Information Source discovers that Credit Data on a Customer, that it has provided to the Register, is incorrect, incomplete or inaccurate, or that a change has occurred in it for any reason whatsoever, the Information Source shall inform the Bank of Israel, and provide it with the updated Credit Data, as soon as possible and in any event within seven days, unless the Supervisor determined a different period, and all as instructed by the Supervisor.

56. Correction of information at a Customer's request

- (a) If a Customer believes that information on him, which is included in the Register, is incorrect, incomplete, or inaccurate, he may submit, to the Bank of Israel, a request to delete, complete, or revise information.
- (b) If a request under Subsection (a) has been submitted, and the Bank of Israel believes that there is a need for the Information Source to conduct an inquiry for the purpose of handling the request, the Bank of Israel shall make a note in the Register that an inquiry is being conducted with respect to the information, and shall contact the Information Source in order to conduct the inquiry.
- (c) If the Bank of Israel contacts the Information Source, as set forth in Subsection (b), the Information Source shall conduct an inquiry on the matter, and shall provide the Register Manager with the results of the inquiry as soon as possible and in any event within seven days, unless the Supervisor determined a different period. If the inquiry shows that it is necessary to complete or revise the information, the Information Source shall provide the Bank of Israel with the revised information as well, as soon as possible, and in any event within seven days, unless the Supervisor determined a different period, and all as instructed by the Supervisor.

- (d) If the Information Source has not provided the inquiry results within the period set forth in Subsection (c), the Supervisor shall instruct the Register Manager on the actions needed be taken in the Register with respect to the information.

57. Revision of the information in the Register, and notices of the revision

- (a) The Register Manager shall immediately revise the information included in the Register according to the revised information provided, and according to the inquiry conducted, under Sections 55 or 56, as applicable. If a dispute has arisen between the Information Source and the Customer regarding Credit Data included in the Register, the Bank of Israel may make a note to such effect in the Register, or may delete the Credit Data item in dispute.
- (b) The Supervisor shall issue directives regarding the provision of information, which is revised under Subsection (a), to the Customer, the Credit Bureaus, the Credit Data Users, and the Paid Authorized Representatives.

Chapter I: Preservation of confidentiality and information security

58. Preservation of confidentiality

- (a) Any person who has received information on a Customer under this law, including any person who received the information by virtue of his position, shall not disclose it to another person, and shall make no use of it, other than pursuant to the provisions of this law, or pursuant to a court order.
- (b) If a person has received Nonidentifying Information originated in the Register, he shall take no action to identify of the Customer to whom the information refers.

59. Restrictions on providing information to public agencies

Notwithstanding the provisions of Chapter D of the Protection of Privacy Law, and the provisions of any other law, information shall not be transferred to or from the Register other than in accordance with the provisions of this law.

60. Information security

- (a) The Bank of Israel shall collect the information provided to the Register, maintain it, and disclose it—
 - (1) in a manner that will ensure protection against leaks of information from the Register, unlawful entries to the Register, and against the transfer, disclosure, deletion, use, revision, or copying of information without legal permission;
 - (2) in a manner that will prevent use of the information in violation of the provisions of this law;
 - (3) in a manner that will ensure that access to the information is in accordance with the provisions of this law, and will facilitate control and supervision of how the Register is used;

- (4) in a manner that will ensure that the Nonidentifying Information is maintained and disclosed as such.
- (b) In order to carry out the objectives of this law and to ensure the privacy of Customers and in order to provide a Credit Bureau with access to Nonidentifying Information in the Register as provided in Section 45, the Bank of Israel shall maintain, in the Register, the Credit Data and all information on a Customer, as Nonidentifying Information, separately from any Identifying Details; notwithstanding the above, it will be possible to link the Credit Data and any other information on a Customer to the Identifying Details, thereby creating Identifying Information, for the purpose of updating the data in the Register on a specific Customer and disclosing it in accordance with the provisions of this law, and also for a different purpose, if directly required in order to operate the Register, as determined by the Governor, with the consent of the Minister. The separation between the Identifying Information and Nonidentifying Information, and the linking of the data under this Subsection shall be conducted as instructed by the Supervisor, in consultation with the Databases Registrar.
- (c) The Governor, with the consent of the Minister, shall issue directives required for the security of the information provided to the Register, included in it, and transferred from it, including directives in the following matters:
- (1) the way of collecting and recording the information by the Information Source in a manner that shall ensure the reliability, accuracy, and security of the information;
 - (2) the way of providing the information to the Register, the way it is maintained in the Register, the way it is used and its security;
 - (3) the way of providing access to information included in the Register, including for those with authorized access to Identifying or Nonidentifying Information, and the means of identification required from a Credit Bureau in order to use the technological system of the Register, including performing actions in it, and directives regarding the control of such system.
- (d) The Bank of Israel shall retain the Credit Data Register in its facilities.

Chapter J: Operating a Business Information Service

61. Licensing a Business Information Service

- (a) The Supervisor may grant a license for a Business Information Service (in this Chapter—**License**) to an applicant that meets all of the following conditions:
- (1) The applicant is a Company as such term is defined in the Companies Law;
 - (2) The applicant has registered the database as a database under the Protection of Privacy Law;
 - (3) The applicant has provided a guarantee in accordance with the provisions of Section 8;

- (4) Neither the applicant, a holder of Control in, or an Officer of the applicant, has been convicted of an offense, the nature, severity, or circumstances of which render them unfit, in the Supervisor's opinion, to receive a License, and no indictment for such an offense has been filed against any of the above persons, with respect to which a final judgment has not yet been rendered;
- (5) It has the ability to operate a technological system that will minimize the risk to infringement to Customers' privacy and the risk of breach of information security of the applicant.
- (b) The Supervisor shall not grant a Business Information Services License to the applicant if he finds that the conditions set forth in Subsection (a) have not been met or for reasons of public welfare;
- (c) If the Supervisor has reasonable grounds to assume that the applicant will use the information received not for the purposes of this law, or that it will not meet the requirements under the law, he shall not grant the applicant a License.
- (d) The Governor shall issue directives regarding the way to apply for a License under this Section, the particulars to be included in the application, and the documents to be attached to it.
- (e) The provisions of Sections 8 through 11 shall apply, with the necessary changes, to the licensing of a Business Information Service.

62. Operating a Business Information Service

As part of its operation of a Business Information Service, a Business Information Bureau may collect and retain any information on a Customer, which it received by law, only with respect to the Customer's activity as a Business, including Credit Data on a Customer with respect to such activity (in this Chapter—Credit Data on a Business), and may disclose it to another person, all subject to regulations issued by the Minister under Section 64, to the extent issued.

63. Data that a Business Information Service may not take into account

For the Credit Rating of a Business, a Business Information Bureau shall not take into account data on the gender, age, sexual orientation, race, religion, country of origin, nationality, place of residence, and family or health status.

64. Directives governing the operation of a Business Information Service

The Minister may issue directives governing the operation of a Business Information Service by a Business Information Bureau in the following matters, among others:

- (a) the type of Credit Data on a Business that a Business Information Bureau may not collect, retain or disclose;
- (b) the Information Sources from which a Business Information Bureau may not collect Credit Data;
- (c) prohibited uses of Credit Data on a Business;
- (d) the manner of disclosing Credit Data on a Business.

65. Retaining Information

A Business Information Bureau shall retain the information it has collected as part of the provision of a Business Information Service for at least seven years from the date on which the information was received.

Chapter K: The Supervisor of Credit Data Sharing

Article A: Appointment and Duties of the Supervisor

66. Appointment and duties of the Supervisor

- (a) The Governor shall appoint a Supervisor of Credit Data Sharing, who shall be a Bank of Israel employee.
- (b) The Supervisor shall be responsible for sharing of Credit Data under this law, and shall engage in facilitating information security, protection of Customers' privacy, and the protection of Customers' and Credit Data Users' interests; the Supervisor's functions shall be, among others—
 - (1) granting Credit Data Service licenses and Business Information Service licenses;
 - (2) supervising and conducting control over the activities of the Credit Bureaus and Business Information Bureaus, including with respect to the development of the statistical models by the Bureaus;
 - (3) supervising and conducting control over the activities of the Information Sources providing information to the Register, of the Credit Data Users, and of Paid Authorized Representatives;
 - (4) issuing directives, pursuant to Section 68, to a Credit Bureau and a Business Information Bureau, to Information Sources providing information to the Register, to Credit Data Users, and to Paid Authorized Representatives;
- (c) The Supervisor may receive information from the Register for the purpose of carrying out his functions under this law and to the extent it is necessary.

Article B: Registries

67. Registries

- (a) The Supervisor shall manage the following registries:
 - (1) A Credit Bureaus registry;
 - (2) A registry of Information Sources that provide information to the Register or that undertook to provide information to the Register pursuant to the provisions of Chapter F;
 - (3) A Credit Data Users registry;

- (4) A registry of Paid Authorized Representatives of a type to be determined by the Governor;
- (5) A registry of Business Information Bureaus.
- (b) (1) The Supervisor shall include, in the registries set forth in Subsection (a), details on Credit Bureaus, Information Sources, Credit Data Users, and Paid Authorized Representatives, that the Supervisor prohibited or restricted the provision of data to them pursuant to the provisions of Sections 20 or 54.
- (2) If Credit Data from an Information Source was provided pursuant to Section 108, it shall be noted in the registry set forth in Subsection (a)(2) to which Credit Bureau the information was provided.
- (c) The registries shall be open for public inspection on the Bank of Israel website.

Article C: The Supervisor's Directives

68. The Supervisor's directives

- (a) For the purpose of carrying out his duties, after consulting with the Advisory Committee appointed under Article D, the Supervisor may:
 - (1) issue directives to the Credit Bureaus and the Business Information Service bureaus with respect to their activities and operations, the activities and operation of the officers of such bureaus, and of any of their employees, all for the purpose of achieving the objectives of this law, ensuring proper conduct by the Bureaus, and for the purpose of protecting the interests of the Customers and the Credit Data Users, protecting of the Customers' privacy, and information security. Such directives may be issued to all the bureaus, or to a specific type of bureau;
 - (2) issue directives to Information Sources providing information to the Register, to Credit Data Users and to Paid Authorized Representatives, with respect to their activities according to this law, for the purpose of achieving the objectives of this law and for the purpose of protecting the interests of the Customers and the Credit Data Users, protecting of the Customers' privacy, and information security. Such directives may be issued to all the Information Sources, Credit Data Users, or Paid Authorized Representatives, or to a specific type of such entities.
- (b) If the Supervisor intends to issue directives under Subsection (a), in a matter in which the Minister or the Governor are authorized to issue regulations or rules, the Supervisor shall notify the Minister or the Governor, as applicable, of his intent.

69. Publishing the Supervisor's directives

- (a) There is no obligation to publish in Reshumot (official State gazette) the Supervisor's directives under Section 68, or any other directive issued by the Supervisor under this law that is of legislative nature. Notwithstanding the above,

the Supervisor shall publish in Reshumot an announcement of the issuance of such directives, and of their commencement date.

- (b) The Supervisor's directives set forth in Subsection (a), and any amendment therein, shall be available for public inspection in the Supervisor's offices, and shall be published on the Bank of Israel website, in a manner that will allow the monitoring of their amendments over time and their documentation, and the Governor may determine additional ways of publishing such directives.

Article D: The Advisory Committee for the Supervisor's Directives

70. The Advisory Committee for the Supervisor's Directives

- (a) The Governor shall appoint a committee to advise the Supervisor on issuing directives under Section 68 (in this Article—the Advisory Committee).
- (b) The Advisory Committee shall have eight members, four of them, at least, shall be female, and its composition shall be:
 - (1) one member shall be a lawyer who is a State employee, to be appointed pursuant to the recommendation of the Attorney General;
 - (2) one member who is a Ministry of Finance employee, to be appointed pursuant to the recommendation of the Minister of Finance;
 - (3) one Advisory Committee member shall be appointed from among State employees or from among the public, and shall be an expert on protection of privacy;
 - (4) five members shall be appointed from among the public—
 - (a) at least two shall be business or economics persons or present or former senior members of the academic faculty at a recognized institution, as such term is defined in the Council for Higher Education Law, 5718-1958,¹² with experience or education in the field of financial services;
 - (b) two shall have experience in financial education or have experience in social activity in this area;
 - (c) one shall be an expert in information security or information technology.
- (c) The Governor shall appoint one of the Advisory Committee members as committee chairperson, and another as vice-chairperson.
- (d) The Advisory Committee shall convene at the request of the committee chairperson, or of the Supervisor, and its agenda shall include any matter in its power requested by the chairperson or the Supervisor.
- (e) Three committee members, including the chairperson or vice-chairperson, shall constitute a legal quorum for its meetings.

¹² *Sefer Hahukim* 5718, p. 191.

- (f) A person who was convicted of an offense, the nature, severity, or circumstances of which render him unfit to serve as a member of the committee, or a person against whom an indictment has been filed for such an offense in which a final judgment has not been rendered, shall not be appointed as a member of the Advisory Committee.

71. Conflict of interest

- (a) A person who may have a frequent conflict of interest, direct or indirect, between his position as a committee member and his Personal Interest or a different position of his, shall not be appointed or serve as an Advisory Committee member.
- (b) An Advisory Committee member shall refrain from taking part in a discussion at a committee meeting if the matter under discussion may cause him a direct or indirect conflict of interest between his position as a committee member and his Personal Interest or his functions. As part of his work in the committee, the committee member shall not deal with such matter, including outside the committee meetings.
- (c) If an Advisory Committee member realizes that the matter under discussion may cause him a conflict of interest, as set forth in Subsections (a) or (b), he shall so notify the committee chairman as soon as possible. If the above committee member is the committee chairman, he shall notify the Governor.
- (d) For the purpose of this Section, a different position which is paid and a different position which is unpaid shall be equivalent.
- (e) In this Section—

“**Personal interest**”—includes a personal interest of a Relative or an interest of a different entity in which he or his Relative is a Principal Shareholder or an Officer;

“**Relative**”—a spouse, parent, grandparent, son or daughter or their spouse, brother or sister or their children, brother-in-law or sister-in-law, uncle or aunt and their children, son-in-law or daughter-in-law, father-in-law or mother-in-law, grandson or granddaughter, including stepchildren, and any other member of a committee member’s household.

72. The term in office

The term in office of an Advisory Committee member shall be three years from the date of his appointment, and he may be reappointed for an additional such term, provided that he does not serve more than three terms.

73. Termination of the term in office

- (a) An Advisory Committee member shall cease to serve before the end of his term for any of the following reasons:
 - (1) he resigned by delivering a letter of resignation to the Governor;

- (2) the Governor believes he is permanently unable to carry out his function;
- (3) he was convicted of an offense, the nature, severity, or circumstances of which render him unfit to carry out his function, or an indictment has been filed against him for such an offense in which a final judgment has not yet been rendered;
- (4) the Governor realizes that he was absent, without reasonable excuse, from three consecutive meetings of the Advisory Committee or from more than half the meetings held in one year; the Chairperson shall report to the Governor on a committee member who was absent as set forth above;
- (5) with respect to an Advisory Committee member who is a State employee—he ceased to be a State employee.

(b) When an Advisory Committee member's term ends, the Governor shall engage in appointing a committee member to replace him as soon as possible.

74. Working procedures

The Advisory Committee shall establish its working procedures and its agendas, as far as these have not been set forth in this law.

75. Status of the committee

The existence of the Advisory Committee, its powers, and the validity of its recommendations shall not be affected by the vacancy of one of the members' seats, or by defects in his appointment or in the continuation of his term.

76. Confidentiality

No person shall disclose any matter that is a part of the Advisory Committee's discussions or any material provided to it unless the Governor has authorized him to disclose it. Notwithstanding the above, the main parts of the Advisory Committee's recommendations and the minutes of its meetings shall be published on the Bank of Israel website, except for main parts of recommendations or minutes of a specific discussion, or a part thereof, that the committee instructed not to publish, in a reasoned decision, in writing, which would be published on the Bank of Israel website.

77. Remuneration and reimbursement of expenses

Advisory Committee members that are not State employees are eligible for remuneration and reimbursement of expenses for participating in committee meetings, in an amount that shall be determined by the Governor. Such remuneration shall be paid by the Bank of Israel.

Article E: Investigating Public Complaints

78. Investigating public complaints

- (a) The Supervisor shall investigate public complaints with respect to the actions of a Credit Bureau, a Business Information Bureau, an Information Source providing information to the Register under Chapter F, a Credit Data User, and a Paid Authorized Representative, as well as complaints related to the operation of the Register.
- (b) If a complaint affects a matter being heard in court or by an arbitrator, or a matter in which judgment has been rendered by a court or an arbitrator, the Supervisor shall take this into account in his consideration of whether to investigate the complaint.

79. Investigations Procedures

- (a) A complaint investigation shall be conducted in a manner determined by the Supervisor, who shall not be restricted by the rules for legal proceedings or the laws of evidence.
- (b) The Supervisor shall bring the complaint to the attention of the person who is the subject of the complaint, and shall provide such person with an opportunity to respond to it; if the complaint was with respect to a Credit Bureau, the Supervisor shall also notify the Public Enquiries Officer of it.
- (c) If a complainant requested to appear in front of the Supervisor, the Supervisor may summon him in order to hear him.

80. Complaint related to infringement of privacy

If a complaint was related to an infringement of privacy, the Supervisor shall notify the Supervisor of Privacy Protection as well, and he may consult with him for the investigation of the complaint.

81. Investigation Results

- (a) If the Supervisor finds that the complaint was justified, he would give notice to such effect to the complainant and to the person who is the subject of the complaint. In his response, the Supervisor may provide a summary of his findings, and may instruct the person who is the subject of the complaint to rectify the fault revealed by the investigation, either for the purpose of the case referred to in the complaint or in general, in a manner and at a time instructed by the Supervisor. The Supervisor may instruct the Register Manager to correct the information in the Register. If the Supervisor instructed to correct the information in the Register, the provisions of Section 57 would apply, with the necessary changes.
- (b) If the Supervisor finds that the complaint was unjustified, or that it does not merit investigation by him, he would give notice to such effect to the complainant and to the person who is the subject of the complaint. In his response, the Supervisor may provide a summary of his findings.
- (c) If the investigation gives rise to a suspicion that a criminal offense has been committed, the Supervisor shall bring the matter to the attention of the Attorney General.

82. Publishing the ways to submit complaints

The ways to submit complaints shall be published on the Bank of Israel website, in clear and simple language, in Hebrew, Arabic, English, and Russian.

Chapter L: Oversight

83. Definitions

In this Chapter—

“**System Data**” means one of the following:

- (a) Data with respect to the maintenance and management of information and databases by a Credit Bureau or a Business Information Bureau, and with respect to the use of such information and databases, required for overseeing compliance with the provisions of this law by the bureau, provided that the data does not include Identifying Information;
- (b) Records that a Credit Bureau or a Business Information Bureau is required to maintain under this law, as part of the management, maintenance, or use of a database.

“**Computer**”, “**Computer Material**”, “**Penetration of Computer Material**”, and “**Output**” shall have the meanings assigned to them in the Computers Law, 5755-1995.¹³

84. Authorization for overseers

- (a) The Supervisor shall appoint overseers from among Bank of Israel employees, who will be given the powers set forth in this Chapter for the purpose of overseeing compliance with the provisions of this law. Notice of the appointment of an overseer and of a change with respect to such appointment will be published on the Bank of Israel website in a manner that will allow the monitoring of changes made.
- (b) No person shall be appointed as an overseer under Subsection (a) unless he meets all of the following requirements:
 - (1) he has not been convicted of an offense, the nature, severity, or circumstances of which, in the Supervisor's opinion, render him unfit to be an overseer;
 - (2) he has received training with respect to the exercising of the powers that will be given to him under this Chapter, as instructed by the Supervisor;
 - (3) he meets other competency requirements, as instructed by the Supervisor;
 - (4) with respect to the powers set forth in Sections 85(4) and 86—he is trained to make a Penetration of Computer Material and to produce an Output as part of such penetration.

¹³ *Sefer Hahukim 5755*, p. 366.

85. Overseer's powers

In order to oversee the compliance with the provisions of this law, the overseer may

- (1) require any person to disclose his name and address to the overseer, and to present his ID card or other official document identifying him;
- (2) require any person involved in a matter to disclose to him any information or document, including Output, that can ensure the compliance with the provisions of this law;
- (3) require any person involved in the matter to present to him or deliver to him a copy of Computer Material that includes System Data or sample information required in order to oversee the compliance with the provisions of this law. Sample information in this paragraph shall be required only to the extent necessary to achieve the purposes of the oversight;
- (4) Penetrate Computer Material of a Credit Bureau or a Business Information Bureau, under the provisions of Section 86;
- (5) enter any place, the entry to which is required for carrying out his functions and in which an Overseen Entity operates, or a place to which he has reasonable grounds to assume that an Overseen Entity operates, provided that he does not enter a place used as a residence, unless under a court order. For the purpose of this matter, "**Overseen Entity**" means a Credit Bureau, a Business Information Bureau, an Information Source that provides information to the Register, a Credit Data User, or a Paid Authorized Representative.

86. Penetration of Computer Material of a Credit Bureau or a Business Information Bureau

For the purpose of overseeing the compliance with the provisions of this law by a Credit Bureau or a Business Information Bureau, an overseer who meets the requirements of paragraphs (1) to (4) of Section 77(b) may –

- (1) Penetrate Computer Material of a Credit Bureau or a Business Information Bureau for the purpose of copying the System Data included in it, copy such System Data and produce an Output from it, provided that no Computer Material, which is not directly required in order to find and copy the System Data, is Penetrated;
- (2) Penetrate Computer Material of a Credit Bureau or a Business Information Bureau for the purpose of collecting sample information. Sample information in this paragraph shall be collected only to the extent necessary to achieve the purposes of the oversight.
- (3) Penetrate Computer Material of a Credit Bureau or a Business Information Bureau for the purpose of copying information on a Customer, copy the information, and produce an Output from it, provided that such Customer has consented to it in advance and in writing, and provided that no Computer Material which is not directly required in order to find and copy such Customer's information, is Penetrated.

87. Demand for Computer Material or Penetration of Computer Material—assistance from a specialist and deletion of the information

- (a) In order to exercise the powers under paragraphs (3) and (4) of Section 85, an overseer may be assisted by a specialist, including one who is not a Bank of Israel employee, for the purpose of conducting an examination at the location in which the person, from whom Computer Material is needed under those paragraphs, operates, and for the purpose of a demand for Computer Material or Penetration of Computer Material, if the overseer does not have the experience, know-how, or means needed for such demand or penetration, and provided that the overseer is present at the location when the specialist is performing the actions, and oversees such performance. The overseer shall inform the specialist of the confidentiality obligation that applies to him.
- (b) Sample information collected under Section 85(3) or (4) shall be deleted from the Bank of Israel databases after the overseeing proceedings for which it was collected have been completed, but no later than six months after the date on which it was provided or collected, or at a later date set by the Minister.

88. Identification obligation

An overseer shall not exercise the powers vested in him under this Chapter except when discharging his duties, and if both the following conditions exist:

- (a) he openly wears a tag identifying him and his position;
- (b) he carries a certificate signed by the Supervisor that states his position and powers, which he will present upon request.

Chapter M: Penalties

89. Penalties

- (a) The following are liable to the fine set in Section 61(a)(1) of the Penal Law:
 - (1) A Credit Provider that asked a Credit Bureau for a Creditworthiness Assessment without informing the Customer, in violation of the provisions of Section 33;
 - (2) An Electricity Company that asked for an assessment of whether to take collection measures with respect to a Customer without notifying the Customer, in violation of the provisions of Section 37.
- (b) The following are liable to the fine set in Section 61(a)(3) of the Penal Law:
 - (1) A person that used Credit Data received from the Register other than for the purpose for which it was requested, in violation of the provisions of Section 25;
 - (2) A Credit Bureau that copied or saved Nonidentifying Information, in violation of the provisions of Section 45(b);

- (3) A Credit Bureau or Paid Authorized Representative that retained Credit Data beyond the period set in Section 49;
 - (4) A Credit Provider that retained a Credit Report beyond the Credit Transaction period, in violation of the provisions of Section 53, or that did not delete the Credit Report within the period set in that Section;
 - (5) A person that received Nonidentifying Information originating in the Register, and took action to identify the Customer to whom the information referred, in violation of the provisions of Section 58(b);
 - (6) A Business Information Bureau that retained information collected as part of the provision of a Business Information Service for a period shorter than seven years from the date on which the information was received, in violation of the provisions of Section 65;
- (c) The following are liable to three years of imprisonment or the fine set in Section 61(a)(4) of the Penal Law:
- (1) A person that collected Credit Data, retained it for the purpose of providing it to another person or provided it to another person, in the course of business, in violation of the provisions of Section 4;
 - (2) A Credit Bureau or a Business Information Bureau that has breached the terms of its license, in violation of Sections 5 or 6, as applicable;
 - (3) A Credit Bureau engaging in a business occupation that is not a Credit Data Service and is not an additional permitted business occupation as determined by the Governor, in violation of the provisions of Section 12(b);
 - (4) A Credit Provider that has asked a Credit Bureau for a Credit Report without having received the Customer's consent, in violation of the provisions of Section 27;
 - (5) A Credit Bureau that, for its statistical model, a Creditworthiness Assessment of a Customer, or a Customer's Credit Rating, or a Business Information Bureau that, for a Business Credit Rating, took into account data on a Customer's gender, age, sexual orientation, race, religion, country of origin, nationality, place of residence, or family or health status, for the purpose of determining his Credit Rating, in violation of Section 51 or 63, as applicable;
 - (6) A person who disclosed information on a Customer that it received under this law, or used it, in violation of the provisions of Section 58(a).

90. Liability of Officers

- (a) An Officer in a corporation should supervise and do all that is possible to prevent the committing of an offense under this Chapter by the corporation or by any of its employees; any person that violates this provision is liable to half of the fine for that offense.
- (b) If an offense under this Chapter has been committed by a corporation or any of its employees, it is presumed that the Officer in the corporation has breached his duty

- under Subsection (a), unless he has been proven that he did all that is possible to fulfill his duty.
- (c) In this Section, “**Officer**” means an acting manager in a corporation, a partner, other than a limited partner, or an official responsible on behalf of the corporation for the area in which the offense was committed.

Chapter N: Financial sanction

91. Definitions

In this Section, the “**Base Sum**” is the following sum, as applicable:

- (a) For a Credit Bureau, Business Information Bureau, Information Source providing information to the Register, and a Credit Data User—NIS 200,000;
- (b) For a Paid Authorized Representative—NIS 10,000, and if it is a corporation—NIS 50,000.

92. Financial sanction

- (a) If a person has operated a Credit Data Service or a Business Information Service without having a license to do so, in violation of the provisions of Sections 5 or 6, the Supervisor may impose on such person a financial sanction of NIS 50,000, pursuant to the provisions of this Chapter.
- (b) If a person has violated a provision of this law, as set forth below, the Supervisor may impose a financial sanction on such person, pursuant to the provisions of this Chapter, of the Base Sum:
- (1) A Credit Bureau or a Business Information Bureau that has operated not in accordance with the terms of its license, in violation of the provisions of Sections 5 or 6, as applicable;
 - (2) A Credit Bureau whose license was revoked and that operated not in accordance with the Supervisor’s instructions pursuant to the provisions of Section 11(d);
 - (3) A Credit Bureau engaging in a business occupation that is not a Credit Data Service and is not an additional business occupation permitted by the Governor, in violation of the provisions of Section 12(b);
 - (4) A Credit Bureau that conditioned the provision of a service on another service or on a service set as an additional business occupation, in violation of the provisions of Section 14;
 - (5) A Credit Bureau that did not appoint a Public Enquiries Officer, in violation of the provisions of Section 15;
 - (6) An Information Source that is required to provide data to the Register under Section 19 and did not provide it pursuant to the provisions of such Section;

- (7) An Authorized Source that provided data to the Register, not in accordance with the provisions of Section 19(d);
- (8) An Information Source that did not take measures to ensure the accuracy and reliability of the Credit Data provided to the Register, in violation of the Supervisor's directives under Section 19(f), or that provided Credit Data in violation of the Supervisor's directives under Section 19(g);
- (9) A person that used Credit Data received from the Register for a purpose other than the one for which they were requested, in violation of the provisions of Section 25;
- (10) A Credit Bureau that requested Credit Data from the Bank of Israel for the purpose of preparing a Credit Report, without the terms for providing data for preparing a Credit Report having been met in the request, in violation of the provisions of Section 28;
- (11) A Credit Provider that received a Credit Report for the purpose of executing a Credit Transaction or that received a Credit Report for the purpose of ensuring that the terms of a transaction that it executed are met, and adversely amended the terms of the transaction without immediately notifying the Customer to that effect, or without providing him with details of the Credit Bureau from which it received the Credit Report, in violation of the provisions of Section 31(a);
- (12) A Credit Provider or Credit Bureau that did not provide the Customer with a Credit Report, in violation of the provisions of Section 31(b);
- (13) A Credit Bureau that requested from the Bank of Israel a Standard Consolidated Data Report for a Paid Authorized Representative without having the terms for providing a Consolidated Data Report having been met in the request, in violation of the provisions of Section 41;
- (14) A Credit Bureau that copied or saved Nonidentifying Information, in violation of the provisions of Section 45(b);
- (15) A Credit Bureau or a Paid Authorized Representative that retained Credit Data longer than the period set forth in Section 49;
- (16) A Credit Bureau that charged an amount exceeding the maximum amount set by the Governor, in violation of the provisions of Section 50;
- (17) A Credit Data User that took into account a Credit Report that was not current, in violation of the provisions of Section 52(a);
- (18) A Credit Provider that took into account a Creditworthiness Assessment that was not current, in violation of the provisions of Section 52(b);
- (19) A Credit Data User that retained a Credit Report longer than the period of the Credit Transaction, in violation of the provisions of Section 53, or that did not delete the Credit Report within the period set forth in such Section;

- (20) A Credit Bureau that provided Credit Data to a Credit Data User or to a Paid Authorized Representative, in violation of the Supervisor's directives under Section 54;
- (21) An Information Source that did not inform the Bank of Israel of incomplete or inaccurate Credit Data, or data in which changes occurred, or that did not provide the updated data, in accordance with the Supervisor's instructions, in violation of the provisions of Section 55;
- (22) An Information Source that did not provide the Bank of Israel with the results of an inquiry it conducted or with the revised information, in violation of the provisions of Section 56(c);
- (23) An Information Source that violated a directive issued by the Governor under Section 60(c);
- (24) A Business Information Bureau that violated a directive issued by the Minister under paragraphs (1)–(4) of Section 64;
- (25) A Business Information Bureau that retained information collected as part of the provision of a Business Information Service for a period shorter than seven years from the date on which the information was received, in violation of the provisions of Section 65;
- (26) Any person that violated any of the Supervisor's directives issued under Section 68.

93. Notice of Intent to Impose a Sanction

- (a) If the Supervisor has reasonable grounds to assume that a person has violated a provision of this law, set forth in Section 92 (in this Chapter—**the Violator**), and intends to impose a financial sanction on the Violator under that provision, he shall serve the Violator with a notice of his intention to impose a financial sanction on him (in this Chapter—**Notice of Intent to Impose a Sanction**).
- (b) In a Notice of Intent to Impose a Sanction, the Supervisor shall note the following, among other things:
 - (1) the act or omission (in this Chapter—**the Act**) constituting the violation;
 - (2) the amount of the financial sanction and the period for paying it;
 - (3) the Violator's right to present his arguments to the Supervisor under the provisions of Section 94;
 - (4) the power to increase the amount of the financial sanction for a continuous violation or recurrent violation under the provisions of Section 96, and the date from which a violation shall be regarded as a continuous violation for the purpose of such Section.

94. Right to present arguments

A Violator who was served with a Notice of Intent to Impose a Sanction under the provisions of Section 93 is entitled to present his arguments before the Supervisor, in

writing or orally, as the Supervisor may decide, with respect to the intent to impose a financial sanction on him, and with respect to its amount, within forty five days of the date on which the notice was served. The Supervisor may extend this period by an additional period of not more than forty five days.

95. The Supervisor's decision and Demand for Payment

- (a) The Supervisor shall decide, after considering the arguments presented under Section 94, whether to impose a financial sanction on the Violator, and may reduce the amount of the financial sanction pursuant to the provisions of Section 97.
- (b) If the Supervisor decides under the provisions of Subsection (a)—
 - (1) to impose a financial sanction on the Violator—he shall serve him with a written demand for payment of the financial sanction (in this Chapter—a **Demand for Payment**) setting forth, among other things, the adjusted amount of the financial sanction and the period for its payment;
 - (2) not to impose a financial sanction on the Violator—he shall serve the Violator a written notice to this effect.
- (c) In the Demand for Payment or in a notice under Subsection (b), the Supervisor shall detail the reasons for his decision.
- (d) If the Violator has not presented his arguments under the provisions of Section 94 within the period set forth in such Section, the Notice of Intent to Impose shall, at the end of that period, constitute a Demand for Payment served on the Violator on such date.

96. Continuous Violation and Recurrent Violation

- (a) In the event of a Continuous Violation, two percent of the financial sanction for such violation shall be added to such sanction amount for each day on which the violation continues; for this purpose, “**Continuous Violation**”—violation of a provision of this law, as set forth in Section 92, after the Supervisor notified the Violator of the violation of such provision.
- (b) In the event of a Recurrent Violation, an amount equal to half the financial sanction for such violation shall be added to such amount; for this purpose, a “**Recurrent Violation**”—a violation of a provision of this law, as set forth in Section 92, within two years of a previous violation of the same provision for which a financial sanction was imposed on the Violator, or for which he was convicted.

97. Reduced amounts

- (a) The Supervisor may not impose a financial sanction in a lower amount than that set forth in this Chapter, except pursuant to the provisions of Subsection (b).
- (b) The Governor, in consultation with the Minister and with the approval of the Committee, may determine cases, circumstances, and considerations in which a

financial sanction, in an amount lower than the amounts set forth in this Chapter, may be imposed, in amounts to be determined by him.

98. Adjusted amount of the financial sanction

- (a) The financial sanction amount shall be set at the adjusted amount on the date of serving the Demand for Payment, and for a Violator who did not present the Supervisor his arguments as set forth in Section 95(d)—on the date on which the Notice of Intent to Impose a Sanction was delivered; if a court appeal is filed under Section 103 and the payment of the financial sanction is suspended by the Supervisor or the Court, the financial sanction shall be set as the adjusted amount on the date the decision on the appeal is rendered.
- (b) The amounts of the financial sanction set forth in Sections 91 and 92 shall be adjusted on January 1 of each year (in this Subsection—**the Adjustment Date**), according to the rate of increase in the CPI known on the Adjustment Date, compared with the CPI known on January 1 of the preceding year; such amount shall be rounded to the nearest multiple of NIS 10; For this purpose, “**CPI**”—the Consumer Price Index published by the Central Bureau of Statistics.
- (c) The Supervisor shall publish in *Reshumot* a notice of the adjusted amounts of the financial sanctions under Subsection (b).

99. Payment date of the financial sanction

The Violator shall pay the financial sanction within forty-five days of the day on which the Demand for Payment, set forth in Section 95, is served.

100. Indexation Differentials and Interest

If the Violator has not paid the financial sanction when due, it shall be increased by indexation differentials and interest, as defined in the Adjudication of Interest and Indexation Law, 5721-1961¹⁴ (in this Chapter—**Indexation Differentials and Interest**), for the period of arrears, until it is paid.

101. Collection

A financial sanction shall be paid to the State Treasury, and the Center for the Collection of Fines, Fees and Expenses Law, 5755-1995¹⁵, shall apply thereto.

102. A financial sanction for violation of this law and for violation of a different law

No more than one financial sanction shall be imposed for one Act constituting a violation of a provision of this law set forth in Section 92 and of any of the provisions of a different law.

103. Appeal

- (a) A final decision by the Supervisor may be appealed to the Magistrates Court presided over by the President of the Magistrates Court. Such an appeal shall be

¹⁴ *Sefer Hahukim* 5721, p. 192.

¹⁵ *Sefer Hahukim* 5755, p. 170.

- filed within forty-five days of the date on which the Violator was served with the notice of the decision.
- (b) Filing an appeal under Subsection (a) shall not delay payment of the financial sanction, unless the Supervisor consents to such a delay, or if the Court so ordered.
 - (c) If the Court upholds an appeal filed under Subsection (a) after the financial sanction has been paid under the provisions of this Chapter, and orders the reimbursement of the amount of the financial sanction paid, or the reduction in the financial sanction, the amount paid or any part that has been reduced from it shall be reimbursed, plus Indexation Differentials and Interest from the date on which it was paid until the reimbursement date.

104. Publication

- (a) If the Supervisor has imposed a financial sanction under this Chapter, the following information shall be published on the Bank of Israel website in a manner that ensures transparency with respect to the exercise of his judgment in making a decision to impose a financial sanction:
 - (1) the fact of the imposition of a financial sanction;
 - (2) the substance and circumstances of the violation for which the financial sanction was imposed;
 - (3) the amount of the financial sanction imposed;
 - (4) if the financial sanction was reduced—the circumstances due to which the reduction was made and the amount reduced;
 - (5) details of the violator pertaining to the matter;
 - (6) the name of the violator—if it was a corporation.
- (b) If an appeal has been filed under Section 103, the Supervisor shall publish the fact that an appeal has been filed and its results in the manner in which the imposing of the financial sanction was published.
- (c) Notwithstanding the provisions of Subsection (a)(6), the Supervisor may publish the name of a Violator who is an individual, after giving him an opportunity to present his arguments in the matter, if the Supervisor believes that this is necessary in order to warn the public.
- (d) Notwithstanding the provisions of this Section, the Supervisor shall not publish details constituting information that a public authority may not disclose under Section 9(a) of the Freedom of Information Law, 5758-1998,¹⁶ and in addition, he is authorized to refrain from publishing information under this Section that is considered information that a public authority is not required to disclose, under Section 9(b) of such law.

¹⁶ *Sefer Hahukim 5758*, p. 226.

- (e) Publication under this Section of the imposition of a financial sanction on a corporation shall be for a period of four years, and for a financial sanction imposed on an individual, for a period of two years; in such publication, the Supervisor shall implement adequate and advanced technological means to prevent, to the extent possible, the scrutiny of the published details at the end of the publication period.
- (f) The Governor is entitled to determine additional manners of publishing the information mentioned in this Section.

105. Maintaining criminal responsibility

- (a) Payment of a financial sanction under this Chapter shall not derogate from the criminal responsibility of a person for a violation of a provision of this law set forth in Section 92 that constitutes an offense.
- (b) If the Supervisor has sent the Violator a Notice of Intent to Impose a Sanction, due to a violation that constitutes an offense, as set forth in Subsection (a), no indictment shall be filed for such violation unless new facts are discovered, that justify it.
- (c) If an indictment has been filed against a person for a violation that constitutes an offense, as set forth in Subsection (a), the Supervisor shall not institute proceedings against him under this Chapter for such violation. If an indictment has been filed under the circumstances set forth in Subsection (b) after the violator has paid a financial sanction, he shall be reimbursed for the amount paid, plus Indexation Differentials and Interest from the date on which it was paid until the reimbursement date.

Chapter O: Miscellaneous

106. Authentication of identity

The Bank of Israel may, for the purpose of carrying out its functions under this law, take action to authenticate a Customer's identity.

107. Identifying Details included in Credit Data

The Minister, with the approval of the Committee, shall determine the Identifying Details of a Customer to be included in Credit Data that an Information Source shall provide the Register under Chapter F, and the Identifying Details to be included in Credit Data which the Bank of Israel provides from the Register under Chapter G.

108. Maintaining data designated for a specific Credit Bureau

- (a) The Governor may determine that an Authorized Source providing Credit Data to the Register under Section 19(d) may, provided that conditions set by the Governor, in consultation with the Antitrust Authority Director General and with the approval of the Committee, are met, request of the Bank of Israel that the Credit Data it provided be maintained in the database separated from other Credit Data, and that it be provided only to Credit Bureaus that it specifies. If the

Governor so determines, the Bank of Israel shall maintain the data in the database accordingly, and shall grant access to such maintained data only to the Credit Bureaus specified by the Authorized Source.

- (b) If the Minister determined, under Section 19(e), that the Authorized Source mentioned in Subsection (a) is required to provide data to the Register, the provisions of such Subsection shall not apply to it.

109. Notifying a Customer of the beginning of data collection

The Register Manager shall provide a Customer with a written notice of the beginning of collection of Credit Data on him in the Register, including, among other things, his right to submit an Opt-out Request pursuant to Section 22, or a request for nondisclosure of data pursuant to Section 30, and his right to receive, once a year, a Consolidated Data Report at no cost. Such notice shall be sent to the Customer within thirty days of the date of the beginning of data collection, in a manner to be determined by the Governor.

110. Prohibition of requiring Credit Data for employment purposes

- (a) No person shall directly or indirectly request Credit Data or Credit Rating of a person for the purposes of employing him, whether as part of employment relations or not, including through a statement or written questionnaire. No person shall receive or use such data. The provisions of this Section shall not apply to Credit Data on a Customer that is published by law.
- (b) If a person requested Credit Data, received Credit Data, or made use of it, notwithstanding the provisions of Subsection (a), the court may order him to pay compensation to the subject of the Credit Data without proof of damage, at an amount not to exceed the amount set in Section 29a(b) of the Protection of Privacy Law.
- (c) The provisions of this Section shall apply to the State as well.
- (d) The Labor Court shall have exclusive jurisdiction to rule on a claim by an employee or job candidate with respect to a violation of the provisions of Subsection (a).

111. Restrictions on the inclusion of data in the Register and the transfer of data for reasons of State security or foreign relations

At the request of the head of a Security Agency or a person authorized by him, the Bank of Israel shall not include in the Register specific Credit Data, and shall not transfer specific Credit Data from the Register, for reasons of State security or Israel's foreign relations, pursuant to a procedure to be determined for this purpose by the Bank of Israel and the security agencies, with the approval of a subcommittee of the Knesset Economic Affairs Committee, to be established in accordance with the provisions of Section 5 of the Knesset Law, 5754-1994¹⁷, and the provisions of such Section shall apply to its discussions. In this Section, "**Security Agency**"—the Israel

¹⁷ *Sefer Hahukim 5754*, p. 140.

Defense Forces, the Israel Security Agency, the Institute for Intelligence and Special Operations, the Ministry of Defense, and support units of the Ministry of Defense.

112. Extending applicability to corporations

For the purpose of achieving the objectives of this law, the Governor, in consultation with the Minister and with the approval of the Committee, may determine that all or some of the Information Sources required to provide Credit Data on a Customer under Chapter F shall also be required to provide to the Register Credit Data on corporations of a type the Governor shall determine. Under such rules, the Governor shall determine, among other things, directives with respect to the type of Credit Data to be provided, the method for maintaining it in the Register, the terms for transferring it from the Register and for its use.

113. Reporting to the Knesset—temporary order

- (a) The Governor shall report to the Committee, once a year, on the implementation of the provisions of this law, including on:
- (1) stages of the research regarding the contribution of the Register to achieving the objectives of this law;
 - (2) changes in the retail credit market and in the scope of retail credit;
 - (3) the activities of the Register, the Register Manager, the Supervisor and the Supervisor of Privacy Protection;
 - (4) the activities of supervision and control carried out under this law, including activities with respect to the development of statistical models, and the number of financial sanctions imposed, their amounts, the violations for which they were imposed, and the number of recurrent violations that occurred out of total violations;
 - (5) the number of public complaints submitted and their subject matter, the reasons for non-investigation of complaints, to the extent there were any, and the handling of faults that appeared from the complaints;
 - (6) the effect of Credit Data provided to the Register by an Electricity Company on Customers' Credit Ratings;
 - (7) the number of Customers on whom there is no Credit Rating and the number of Customers that submitted a request to exclude their Credit Data from the Register or a request not to disclose their data pursuant to Sections 22 or 30, as applicable, as well as the number of Customers, out of such Customers, who gave their consent to the provision of a Credit Report pursuant to Section 26(a)(4);
 - (8) notices submitted by the Supervisor to the Minister or to the Governor, as applicable, with respect to his intent to issue directives, pursuant to Section 68(b).
- (b) A report pursuant to Subsection (a) shall be submitted to the Committee for five years, from the end of one year from the date on which this law goes into effect.

However, a report regarding paragraph (6) of such Subsection shall be submitted for five years from the date on which it goes into effect regarding an Electricity Company, pursuant to Section 23(d).

- (c) With the completion of the research as provided in Subsection (a)(1), the Bank of Israel shall submit its results to the Committee.

114. Tort

An act or omission in violation of the provisions of this law is a civil wrong, and the provisions of the Civil Wrongs Ordinance (New Version)¹⁸ shall apply to it, subject to the provisions of this law.

115. Execution and regulations

The Minister is responsible for the implementation of this law, and may issue regulations for its implementation.

116. Fees

- (a) The Governor, in consultation with the Minister of Finance and with the approval of the Committee, may determine, by order, provisions with respect to fees, as follows:
- (1) fee for providing data from the Register, and he may set different fees for different users;
 - (2) license fee;
 - (3) annual fee to be imposed on a Credit Bureau and on a Business Information Bureau;
- (b) In an order pursuant to Subsection (a), the Governor may determine the methods of paying the fees and the payment dates, and may determine indexation differentials and interest for a fee that has not been paid when due.
- (c) Fees under this Section shall be paid to the Bank of Israel.

117. Prohibition of disapplication

No person may agree on the disapplication of the provisions of this law.

118. Repeal of the Credit Data Service Law

The Credit Data Service Law, 5762-2002¹⁹ is hereby repealed.

119. Amendment of the Private Investigators and Security Services Law—No. 5

In the definition of “Private Investigator” in Section 1 of the Private Investigators and Security Services Law, 5732-1972²⁰— the words “for license holders under the Credit Data Service Law, 5762-2002” shall be replaced by “for a Business Information Bureau under the Credit Data Law, 5776-2016”.

¹⁸ Laws of the State of Israel, New Version 10, p. 266

¹⁹ *Sefer Hahukim* 5762, p. 104; 5767, p. 415.

²⁰ *Sefer Hahukim* 5732, p. 90; 5768, p. 245.

120. Amendment of the Checks without Cover Law—No. 12

In Section 15 of the Checks without Cover Law, 5741-1981²¹, the words “implementation of the Credit Data Service Law, 5762-2002” shall be replaced by—“implementation of the Credit Data Law, 5776-2016”.

121. Amendment of the Banking (Service to Customer) Law—No. 20

Paragraph (5) in Section 5a1(b) of the Banking (Service to Customer) Law, 5741-1981²² is deleted.

122. Amendment of the Administrative Affairs Courts Law—No. 97

In item 17, in the first addendum of the Administrative Affairs Courts Law, 5760-2000,²³ the words "Credit Data Service Law, 5762-2002" shall be replaced by “Credit Data Law, 5776-2016”.

123. Commencement

- (a) This law shall commence after thirty months from the date of its publication (hereinafter—the Commencement Date); if the Minister finds that postponing the Commencement Date is required for preparing to put into effect the Credit Data sharing arrangement under this law, the Minister may, by order, with the consent of the Governor and of Minister of Finance, postpone—
- (1) the Commencement Date by six months;
 - (2) the Commencement Date, with the approval of the Committee, for an additional period not to exceed six months each time, provided that the total postponements do not exceed four years from the date of publication of the law.
- (b) Notwithstanding the provisions of Subsection (a), the Governor, with the consent of the Minister, may determine that the provisions of this law, including the Supervisor’s directives, with respect to the provision of information to the Register by Information Sources, as shall be set forth in an order, shall become effective on an earlier date than the date set in Subsection (a), if he finds that this is necessary for the preparations for putting into effect the arrangement mentioned above in Subsection (a) on the Commencement Date.
- (c) (1) Notwithstanding the provisions of Subsection (a) and without derogating from the provisions of Section 19(c), the provisions of Sections 19(a)(5) and 37 shall commence after two years from the Commencement Date (in this Subsection—the Commencement Date for an Electricity Company).
- (2) The Minister, the Minister of Finance, or the Governor may, by order, four months before the Commencement Date for an Electricity Company, postpone the Commencement Date for an Electricity Company for additional periods that do not exceed two years each.

²¹ *Sefer Hahukim* 5741, p. 136; 5774, p. 736.

²² *Sefer Hahukim* 5741, p. 258; 5774, p. 338.

²³ *Sefer Hahukim* 5760, p. 190; 5776, p. 706.

- (3) At least three months before the Commencement Date for an Electricity Company, the Minister shall bring to the Committee, for approval, regulations with respect to Section 19(b) regarding Credit Data that an Electricity Company will be required to provide the Register under this law; days of Knesset recess shall not be included in the day count of such period; if the Committee does not approve the regulations, it shall so notify the Minister, and the provisions of Sections 19(a)(5) and 37 shall not apply to an Electricity Company; the Minister shall publish a notice to this effect in Reshumot.
- (d) Notwithstanding the provisions of Subsection (a), if regulations were not issued under Section 97, the commencement of Chapter N shall be postponed until the date such regulations are issued.

124. First directives and regulations

- (a) The first directives under Section 7(e) and 8 shall be issued no later than six months before the Commencement Date.
- (b) First regulations and directives under Sections 19(a)(9) and (b), 22(e) and (g), 26(a)(3) and (c), 30(d), 35(a), 36, 38(a) and (c), 42(b), 49, 60(c), 107, 109, and 125(d) shall be issued before the Commencement Date.

125. Transitional provisions

- (a) A person that held a Business Information Service License before the Commencement Date, and that was not granted a license by the Supervisor under Chapter J by the Commencement Date, as well as a person that held a Credit Data Service license before the Commencement Date, shall provide Credit Data which is in the register that such person holds, to the Databases Registrar, in accordance with the Registrar's instructions, and the Registrar shall maintain the database for a period of two years.
- (b) Documents and databases maintained under the provisions of Regulation 81 of the Credit Data Services Regulations, 5764-2004, before the Commencement Date, shall be maintained by the Databases Registrar until the end of six months from the Commencement Date; however, such documents and databases that were provided between the date of publication of this law and the Commencement Date shall be maintained for at least two years from the date they are provided to the Databases Registrar.
- (c) Notwithstanding the provisions of Section 109, the notification pursuant to such Section to Customers that data collection on them in the Register begins on the Commencement Date shall be published in clear and simple language by the Bank of Israel, in Reshumot and in four widely distributed daily newspapers in Israel, two of them in Hebrew, one in Arabic and one in Russian, on television and radio broadcasts, on the Bank of Israel website, and in an accessible and noticeable place on widely viewed websites.

- (d) The Minister, with the consent of the Governor and the Minister of Finance and with the approval of the Committee, shall determine the period to which the Credit Data, to be provided to the Register on the Commencement Date, or on the date determined under Section 123(c), whichever is applicable, shall refer. The Minister may determine that such a period shall begin before the publication of this law.
- (e) Without derogating from the provisions of any law, the Supervisor may issue directives before the Commencement Date with respect to maintaining data, in order to provide it to the Registrar, by a Banking Corporation or Payment Card Issuer, before the Commencement Date and for a period that would be determined by him.
- (f) The powers of the Databases Registrar under Chapter G of the Credit Data Service Law, in its version before the Commencement date (in this Section—**the Repealed Law**), shall continue to apply with respect to a violation of any provision of such law that occurred before the Commencement Date, and the oversight powers under Chapter C of such law shall be granted to the Registrar with respect to an act or omission carried out before the Commencement Date.
- (g) (1) Any person who violated, before the Commencement Date, any of the provisions of the Repealed Law, as set forth in Section 42 of such Law, shall continue to be subject to the provisions of Sections 42 through 48 of such law.
- (2) Any person who violated the provisions of Subsection (a) shall be subject to the provisions of the opening clause of Section 42(a) of the Repealed Law.
- (h) If an offense under Sections 49 or 50 of the Repealed Law was committed before the Commencement Date, the repeal of such law, in Section 118 of this law, shall not be regarded as repeal of the prohibition of such offense for the purpose of Section 4 of the Penal Law.
- (i) Among the Advisory Committee members from among the public that will be appointed initially, three members will be appointed for the following terms: one will be appointed for one year and two will be appointed for two years, and this period shall not count as a term in office for the purpose of Section 72(b).

126. Temporary directive

In the period between the Commencement Date and the day before the date determined pursuant to Sections 56 and 57(c) of the Postal Law (Amendment number 11), 5772-2012²⁴, the definition of “Postal Bank” in Section 19 of such law shall read:

²⁴ *Sefer Hahukim 5762*, p. 566.

“**Postal Bank**” – the Company as defined in the Postal Law, 5741-1986²⁵, in its provision of financial services as defined in such law on behalf of the Subsidiary, within its meaning set forth in Section 88(k) of such law;”.

Benjamin Netanyahu, Prime Minister

Ayelet Shaked, Minister of Justice

Reuven Rivlin, President of the State

Yuli Yoel Edelstein, Speaker of the Knesset

²⁵ *Sefer Hahukim 5746*, p. 79.